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SUBJECT: BOSNIA: COVIC AND DODIK - STRANGE BEDFELLOWS

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Classified By: Ambassador Charles English for reasons 1.4 (b) and (d).

Summary

I1. (C) An emerging relationship between prominent BiH Croat and Serb leaders is compounding worrisome rhetoric on both sides and engendering concern among Bosniaks. Croatian Democratic Union (HDZ)-BiH President Dragan Covic and Alliance of Independent Social Democrats (SNSD) President -- and Republika Srpska (RS) Prime Minister -- Milorad Dodik have met several times in recent months to discuss, inter alia, their ideas on a territorial reorganization within BiH. Covic's closer ties to Dodik have further strained Covic's already waning partnership with Bosniak Party of Democratic Action (SDA) President Sulejman Tihic. The growing rift between Covic and Tihic only serves to further Dodik's goal of disuniting Bosniaks and Croats, which he hopes will strengthen his argument that the RS is BiH's "better half." End summary.

Tihic and Covic on the Outs

I2. (C) Covic has drifted closer to Dodik over the past year as his relationship with Tihic has become strained. After Tihic's reelection as party President in the SDA congress in May 2009 (ref A), Tihic toned down his endorsement of some of the agreements he, Covic, and Dodik reached in Prud (ref B). Of particular offense to Covic was Tihic's retraction of support for reorganizing BiH into four territorial units, which our Croat contacts continue to cite as a sore spot in the party's relationship with SDA. For his part, Tihic accused Covic of fueling media speculation that Tihic had agreed to an ethnic-based reorganization of BiH at Prud when in fact the three men had not specified how the territory would be divided. The battle over the mayoralty of Mostar has also figured into the rift between Tihic and Covic (ref C). Tihic's support in November 2009 for Stipe Prlic as chairman of the telecommunications company HT Mostar -- over the strong objections of Covic -- and HDZ-BiH's subsequent delay in honoring SDA's request to fill key vacancies in the Federation (ref D) appear to have been the last straw. Our

SDA contacts -- as well as Covic himself -- have told us that Tihic and Covic now barely communicate.

Butmir "Private Parties" in Mostar and Banja Luka

¶3. (SBU) While the Butmir talks were underway, Covic and Dodik held two private, bilateral meetings, one in Mostar on October 2 and the other in Banja Luka on October 14. These meetings focused primarily on constitutional reform, with Dodik stating that any discussion of constitutional reform must include territorial reorganization. After the Mostar meeting, Covic declared publicly that the two men had been working with Tihic for over a year on proposed constitutional changes but that "unfortunately, the process has slowed down." Dodik added that "there is turbulence within SDA, and we cannot see anyone who can make a binding decision arising from a meeting with us."

Dodik and Covic Become Holiday Pals ...

¶4. (C) Dodik then invited Covic to Banja Luka for a bilateral meeting on December 18. According to the press, the two party leaders agreed that the time for engaging in constitutional reform before the elections had expired. They also expressed their strong opposition to the HighRep's extension of the mandate of international judges and prosecutors, which took place on the same day as the meeting.

HDZ-BiH official and Mostar mayor Ljubo Beslic told us that RS VP Davor Cordas, who accompanied Covic to the meeting,

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said that Dodik and Covic also discussed the return of Bosniaks and Croats to RS and for assistance to be provided for the Serbs who wish to return to the Federation. Covic told the Banja Luka-based daily newspaper Nezavisne Novine that the two men would meet again at the end of February.

... Then Dodik Puts Coal in the Bosniaks' Stocking

¶5. (SBU) Covic told the press after the Banja Luka meeting that "HDZ-BiH and SNSD have a clear desire to protect the interests of both peoples in BiH. Only by our doing so can BiH survive and function." He added that he hoped he and Dodik would sign a long-term, strategic partnership agreement at their next meeting. Dodik echoed Covic's comment on a strategic agreement and noted that he would like to include the Bosniaks as well, "if only there were a solid negotiator on the Bosniak side." Dodik also stated that the two men agreed that OHR's presence in BiH was unnecessary. He added that SNSD opposes the HighRep's imposed change to the Mostar election procedures to break the year-long logjam on the mayoralty (ref E), calling it "shameless flattery of Bosniaks." Dodik also decried "obstructions by Bosniaks and the international community" on filling positions in state-level governing bodies.

HDZ-BiH: "Nothing to See Here"

¶6. (C) Our contacts in HDZ-BiH consistently tell us that the relationship between Covic and Dodik carries no hidden agenda, contending that the two men have worked amiably together since the 2006 "April Package" of constitutional reform. Our contacts insist that the partnership is rooted primarily in the party leaders' mutual desire for the fulfillment of the Prud Agreement. They also argue that Dodik will be the clear winner in the RS in this year's elections and that it augurs well for any party to cooperate with him. Finally, they say that the Covic-Dodik meetings were not intended to sideline Bosniak parties, despite Dodik's remarks to the press.

Dodik as Croat "Hero"

¶7. (C) Many Croats -- particularly the overwhelming majority who support a third entity, and including those who do not oppose Tihic as strongly as HDZ-BiH does -- have a great admiration for Dodik, some even regarding him as a "hero," because of his defiance of the international community and his disdain for the "imposition" of the BiH state. Many Croats wish their own leaders would be as outspoken and carry as much bravado as Dodik. The Croats also appreciate Dodik's public expressions of support for a third entity, despite his insistence that the territory for such an entity come exclusively from the Federation. Illustratively, in 2007 the Mostar-based Vecernji List named Dodik "Person of the Year," edging out then-HighRep Schwarz-Schilling, shortly after Dodik's first public endorsement of the third entity concept.

Concerningly, our contacts from all Croat parties repeatedly say to us, "if Dodik can talk about a referendum in the RS, why can't we talk about a third entity?" Following the HDZ-1990 Presidency session on February 6, Bozo Ljubic told the press that if a referendum is to be held, it should take place throughout BiH so that all citizens can decide whether they favor an "imposed Dayton Constitution."

Referendum Not a Major Concern

¶8. (C) Our contacts from all Croat parties tell us that Croats generally see the rhetoric from the RS on a referendum (ref F) as pre-election posturing and that a referendum will not take place. Their concerns with the referendum talk lie primarily in the fear of a radical Bosniak response, rather than the prospect of RS secession. HDZ-1990 VPs Martin Raguz and Damir Ljubic suggested that regardless of whether a referendum actually takes place, the Covic-Dodik alliance is "pushing us to a confrontation with the Bosniaks." Raguz opined that Turkey and other Islamic countries could use the opportunity to strengthen their position in BiH if the RS did call for a referendum. Strikingly, some of our contacts have told us that if the RS held a referendum on secession, Croats would start printing their own ballots for a referendum on a

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third entity.

Comment

¶9. (C) Aside from their political aims, Covic and Dodik share personal interests that make them natural allies. Dodik is suspected of abusing government funds, a charge for which Covic has been tried and convicted (refs G and H), so combining forces against the judiciary could benefit both men. However, Covic's chilled relationship with Tihic is costing him dearly, as Tihic's newfound friendship with HDZ-1990 allows Tihic to make decisions in the Federation without Covic. Moreover, a coalition between SDA and HDZ-1990 after the general elections in October, depending on the results, could force Covic into opposition. Covic therefore undoubtedly expects much from Dodik. Dodik has less at stake and more to gain. His partnership with Covic drives a wedge between Covic and Tihic, which he hopes will advance his argument that the state and Federation do not work as well as the RS. Sidelining Tihic may eventually open the door for Dodik to find his "Bosniak interlocutor" in media mogul Fahrudin Radoncic (ref I), creating a potentially dangerous trio. More immediately, increased rhetoric from both Serbs and Croats on a third entity and an RS referendum -- particularly during an election year -- could lead Bosniaks to respond with worrisome rhetoric themselves.

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